INSIDE NRN

News

Wickers' Palaio cooks up winning formula 7
Report: Chains spending more on TV ads 7
Little King adds new 'bake rooms' 7
Culinary arts school formed in Louisiana 14
Holiday Award given to Pontchartrain Hotel 14
Personnel poll: 1 in 4 will be fired once 18
Pacer's restaurant wins cook-off 18
Chef Hui joins Harbor Village Restaurant 20
L'Escoffier wins Circle of Fame award 20
Stinson to head New Orleans' Morton's 25
Chicago Lawry's promotes McHugh 25
Windsor now runs LA Biltmore Hotel 61
Sassafras names Ginivisian chef 65
BK's Buckley gets CPP designation 65
Caterers name Johansson president 68
NRA elects trustees to education board 80
Lone Star Who's Who honors nine Texans 80
Champions opens Marriott bar in Portland 80

Focus

Section follows page 28
Cover Story/A new era dawns for distribution F1
Bernstein/Executive perils: No one walks on water . . F3
Rankin/'Hazardous substance' rules put on ice F4
Cover Story/Behind-the-wheel look at distribution . . . F9
Cover Story/Distribution's fair-weather friends F12
U.S. Culinary Team chefs go for gold F20
The microcosm in Motown F22
'Taste of the Nation' benefit feeds homeless F30

Columns

Patterson/Preventive maintenance cuts costs 61
Kaplan/Excuses for the birds, not for managers . . . 65
Walkup/Radisson honors parent's 50th year 68

Food

Fabricant/Cool summer salads update Roman practice 11
Food News Digest 11
What's Hot/San Diego 11

Marketing

Alva/Ad man launches cable's Restaurant Channel 12
Marketing Digest 12
Ad Watch/Legends Steak House 12

Financial

Price hikes loom for food as drought worsens 82
Poll: Business lunch alive and well 82
Financial Digest 82
Stock table 83

Features

Corrections 4
F.I.R.S.T. Instructions . 14
Letters F3
Reporters' Journal . . . F4
Name of the Week F4
Flashback F4
Product News 62
People on the Move:
Hotels 69
Advertiser index 82

NRN Directory

For your own subscription to Nation's Restaurant News, call toll-free 1 (800) 262-9500

All other business, call (212) 371-9400 and extension:

Newsroom 285
Display advertising 404
Classified advertising 492
Subscription problems 419

Subscription rate: Food-service operators and wholesalers/distributors, one year, $26.50, two years, $44.50. Auxiliary (consultants, architects, designers, manufacturers, suppliers, and schools) and all others, $59.

Nation's Restaurant News (ISSN 0028-0618) is published weekly, every Monday except the last Monday in December, by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Second-class postage paid at New York, N.Y., and additional mailing offices. POSTMASTER: Send change of address to: Subscription Department, Nation's Restaurant News, 305 Madison Ave. Suite 535, New York, N.Y. 10165-0079.

For change of address, please write Subscription Department, Nation's Restaurant News, 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079. Six weeks' notice is requested. Please send old and new address and zip codes. If possible, include mailing label.

Vol. 22, No. 27 July 4, 1988

NEWS DIGEST

Denny's cuts menu 25%, sheds trendy entrées

LA MIRADA, Calif. — The 1,200-unit Denny's chain has jettisoned nearly 25 percent of its menu items in a move to speed service, refocus on "traditional" family restaurant fare, and balance breakfast, lunch, and dinner offerings.

The new menu omits such upscale entrées as seafood stir-fry, Dijon herb chicken, and pasta primavera with seafood. "We've pared back our dinner selection while still maintaining a strong offering of fried chicken, steak, and seafood," a Denny's vice president said.

Fulfilling objectives set by parent company TW Services shortly after Denny's was acquired last year, the restructured menu signals a "recognition of the need to focus on all dayparts," a spokesman indicated.

A "cross-daypart" summer promotion of chicken-fried steak—in a breakfast combo ($3.59), a sandwich ($3.79), and a dinner ($4.99)—typifies the chain's new marketing thrust, the spokesman added.

Postle, past Wendy's exec, named coo of yogurt chain

DALLAS — Rick Postle, a former high-level executive of Wendy's International, has been named chief operating officer of Brice Foods and I Can't Believe It's Yogurt, based here.

Postle

Postle will oversee day-to-day operations of both ICBIY, which franchises yogurt stores, and Brice Foods, which produces the frozen yogurt sold in the ICBIY stores and in supermarkets in 28 states.

Postle was executive vice president of Wendy's, with responsibility for all company restaurants, when he resigned in 1987. He stepped down to become a franchisee, Wendy's said at the time.

Soup Exchange grants license to Magic Pan

SAN DIEGO — Soup Exchange, the 10-unit salad-soup-bakery buffet chain, has sold development rights for Canada and all states east of the Mississippi River to a newly formed subsidiary of Magic Pan International, the 50-unit specialty dinner-house operator.

California Soup & Salad International, the arm of San Francisco-based Magic Pan, would open 55 Soup Exchange units over the next 30 months under the terms of its pact with the San Diego company. CSSI said it expects to develop 100 of the high-grossing food-bar outlets by 1994.

Soup Exchange has sold franchises for Arizona and Nevada and is negotiating sales in four other Western states.

McCarty gets go-ahead for Santa Monica hotel

SANTA MONICA, Calif. — The City Council has awarded rights to develop a posh seaside hotel to restaurateur Michael McCarty, owner and operator of the renowned Michael's here.

A group led by McCarty plans to construct a 148-room hotel on the site of Sand and Sea Club, one of the city's last remaining exclusive beach clubs. The site was once the estate of Marion Davies, the 1920s mistress of media baron William Randolph Hearst.

Jack in the Box revamps salad line

SAN DIEGO — Jack in the Box has overhauled its six-year-old packaged salads line with the addition of a Mexican-style chicken version and the reformulation of the taco and chef's salads.

All three are priced at $2.99

The new and revised salads are part of Jack in the Box's effort to bolster sales through new product introductions.

Spillman secures license to open Atlanta Pizza Inns

ATLANTA — F.J. Spillman, the former Pizza Inns president who unsuccessfully attempted to take over the pizza chain through a leveraged buyout, has signed on as a franchisee of his former employer.

A Spillman-owned concern, Atlanta Management, has acquired 13 franchised Pizza Inns and development rights to the greater Atlanta area.

Under the expansion agreement, Spillman is obligated to open 20 full-service Pizza Inns and five take-out-and-delivery units.

Spillman was outbid last year by Pantera's Corp., a regional pizza chain, in his attempt to take control of Pizza Inn.

More recently, he sought in vain to acquire Mrs. Winner's Chicken & Biscuits, a fast feeder based in the Southeast.

Capitanini dies at 89, owned Italian Village

CHICAGO — Alfredo Capitanini, founder of the Italian Village, one of the oldest downtown restaurants here, has died. He was 89.

He opened the restaurant in 1927, eventually turning over operations to his sons, Ray and Frank Capitanini, and grandchildren, who continue to run the place today.

After retiring, Capitanini was still involved with the activities of the restaurant, which he supplied with tomatoes and herbs from his large garden.

"He was the first Italian restaurateur to put real Italian dishes on the menu that no one in Chicago had heard of," Ray Capitanini said of his father.

Pillsbury eyes baked line sold in New Orleans units

NEW ORLEANS — The owners of four Häagen-Dazs dipping stores here are testing a line of cookies, brownies, and muffins that executives of Pillsbury, Häagen-Dazs' parent, are reportedly eyeing for a possible chainwide rollout.

The Cookie Time array, which is also sold here through an outlet of that name, was developed by local Häagen-Dazs operators Jerry and Francine Siegal in consultation with Warren LeRuth, the nationally known chef.

The Siegels told a local newspaper that Pillsbury has already conducted taste tests of the baked goods.

Aer Lingus sells Omni to Hong Kong firms

NEW YORK — Aer Lingus, the Irish airline, has agreed to sell its 39-property Omni Hotels Group for $135 million to Hong Kong-based World International (Holdings) Ltd. and an affiliated concern, The Wharf (Holdings) Ltd.

World Group operates Marco Polo International, a group of hotels in the Far East.

Several of Omni's hotel restaurants, particularly bistros in New York and Washington, have been critically acclaimed.

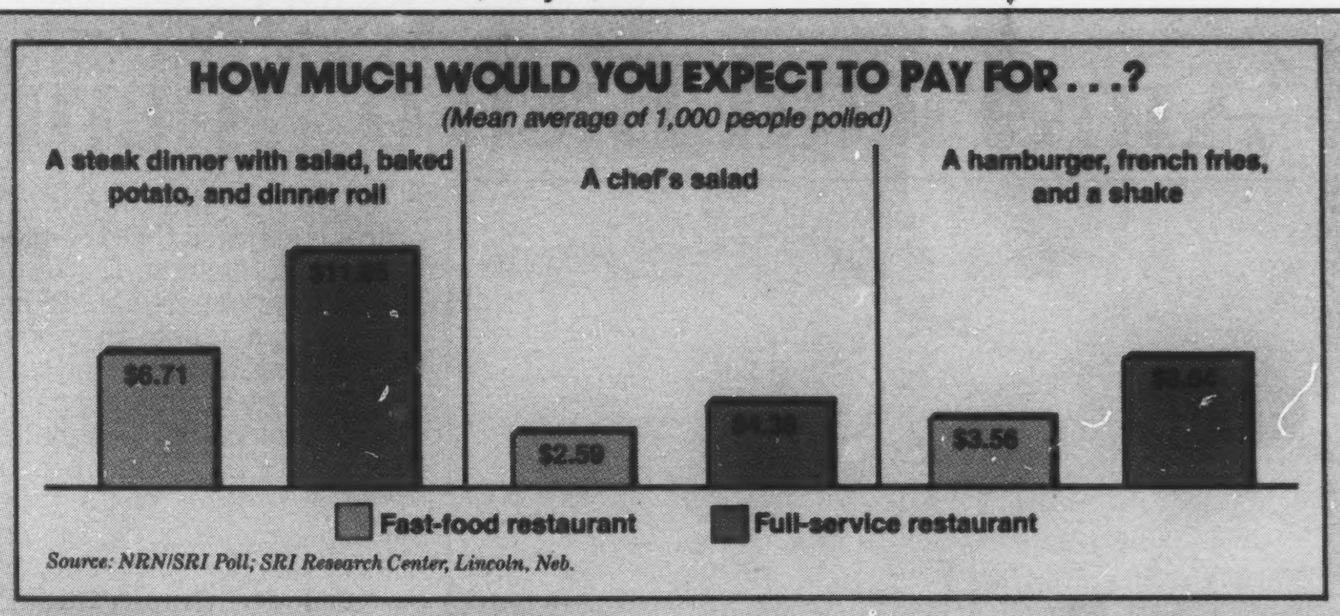
Their creator, Walter Staib, stepped down as head of Omni's food-and-beverage operations to join Specialty Restaurants Corp. of Long Beach, Calif., a few weeks before the deal was disclosed.

Rieses buy O'Neal's units, plan to open several more

NEW YORK — The Riese brothers, franchisees of a mixed bag of restaurant concepts here, have purchased O'Neal's Baloon and O'Neal's 57th St., two well-known saloons in Manhattan that are operated by Michael O'Neal.

The Rieses said they plan to open more O'Neal's bar and grills in other areas of Manhattan.

Among the Rieses' 200 restaurants are franchised Pizza Huts, Roy Rogers, Houlihan's, and Del Taco units.


HOW MUCH WOULD YOU EXPECT TO PAY FOR . . .?
(Mean average of 1,000 people polled)
A steak dinner with salad, baked potato, and dinner roll
A chef's salad
A hamburger, french fries, and a shake
$6.71
$2.59
$3.56
Fast-food restaurant
Full-service restaurant
Source: NRN/SRI Poll; SRI Research Center, Lincoln, Neb.

How much is service worth? Consumers say twice the price

By Rajan Chaudhry

Consumers say they expect to pay $3.56 for a burger, fries, and a shake at a fast-food restaurant, but they'll shell out almost twice as much, $6.64, for the same meal at a full-service restaurant.

NRN SRI Poll

That's just one of the findings of an exclusive new Nation's Restaurant News study that compares consumer price expectations for fast-food and full-service restaurants.

The NRN/SRI Poll, conducted by Lincoln, Neb.-based SRI Research Inc., asked 1,001 consumers nationwide what they would expect to pay for three meals—a hamburger, french fries, and a shake; a steak dinner with salad, potato, and dinner roll; and a chef's salad—at both fast-food and full-service restaurants.

On average, consumers said they would pay 77 percent more for a steak dinner at a full-service restaurant, $11.85, than they would for a steak dinner at a fast-food restaurant, $6.71.

Consumers also reported that they would pay about 69 percent more for a chef's salad at a full-service restaurant, $4.38, than they would for the same dish at a fast-food restaurant, $2.59.

Across the board, consumers in the Northeast and West expect to pay higher prices than those in the South Central or North Central regions of the United States.

Consumers in the West, for example, expect to pay the most for a hamburger, fries, and a shake at a fast-food operation, $3.73, while those in the North Central region expect to pay the least, $3.41.

And consumers in the Northeast expect to pay the high, $7.27, for a hamburger, fries, and a shake at a full-service restaurant, while those in the North Central and South Central regions, at $6.25, tie for the low.

The price consumers expect to pay for a steak dinner at a fast-food restaurant ranges from a high of $7.15 in the Northeast to a low of $6.50 in the North Central region.

And customers in the Northeast also report the high for a steak dinner at a full-service restaurant, $13.37, with those in the South Central area reporting the low, $11.14.

Westerners say they'll fork out the most lettuce for a chef's salad at a fast-food restaurant, $2.83, while their counterparts in the South Central United States will pay only $2.49.

Likewise, Western consumers expect the biggest ticket for a chef's salad at a full-service restaurant, $5.08, while those in the North Central region expect the smallest tab, $4.03.

Striking back with an Empire

Former Ponderosa ceo Office acquires full-service chain

By Bill Carlino

DAYTON, Ohio — Sixteen months after stepping down as chief executive of the Ponderosa steak-house chain, Gerald R. Office is returning to the restaurant industry with his purchase of Empire Family Restaurants Inc., a string of dinner houses.

"I saw a great potential for growth with this company," said Office, who left Ponderosa after the 670-unit operation was acquired in a hostile takeover by financier Asher Edelman. "After considering several investment opportunities, I felt that Empire restaurants was a fundamentally sound operation."

Having acquired the 10-unit, full-service dinner-house chain from founders John Irmscher and Ed McGillvary for an undisclosed sum, Office unveiled a target expansion goal of 75 restaurants by the end of 1993 and a more immediate plan to relocate the corporate offices here.

Gerald R. Office

'Full-service family dining is perhaps the fastest-growing industry segment today,' said Office.

"Full-service family dining is perhaps the fastest-growing industry segment today," Office said. "I see no reason we can't fulfill expansion and operational expectations with an experienced team."

Former Ponderosa controller Dale Ridenour joins Office as Empire's chief financial officer, while Jeffrey Seaton has been appointed as operations manager. Irmsher and McGillvary will remain with Empire as consultants.

Office joined Ponderosa as an attorney in the late 1960s before working his way up to chief executive. He is credited with being the driving force behind the chain's prolific expansion.

New restaurant managers group pushes certification

By Alan Liddle

LAS VEGAS, Nev. — Hosting hundreds, not the thousands of attendees it expected, the National Association of Restaurant Managers used its inaugural convention to publicize a "certified training program."

But not everyone attending saw a need for such a "professional" restaurant manager's certificate. One panelist even doubted "professionalism" could be taught.

NARM, a family-run enterprise that hopes to be so profitable at representing unit-level managers nationwide that it can eventually go public, staged its convention here at the Las Vegas Hilton.

The event featured a trade show, a panel on "Professionalism in the Industry," and seminars on such topics as "polyviewing," or the practice of observing a job applicant's body language to detect lying during interviews.

Kenneth W. Paulson II, formerly a unit manager for Wendy's and Fuddrucker's, is president of the year-old Scottsdale, Ariz.-based NARM. His father, Kenneth W. Paulson, an accountant, is the executive vice president.

The Paulsons told reporters the four-part certified restaurant management training and testing program the association hopes to develop by December will benefit managers by "elevating" their "professionalism" and "self-esteem." It should also improve the public's perception of restaurant management as a profession, they said.

The NARM officials indicated that certification could increase mobility among managers by creating a standard that employers can use to judge job candidates; help managers learn universal skills that the proprietary training programs used by their companies might skip over or spend too little time on; and lead to higher wages for managers who increase their companies' profits.

But conventioneer Paul Martin, general manager of the Dining Room at Black Comb, a ski resort in Whistler, British Columbia, was uncertain how he would benefit from certification.

Despite his training at Ryerson Polytechnical, a noted three-year hotel and restaurant management school in Toronto, Martin said, new acquaintances still regularly give him "a look like, 'What are you going to do when you grow up?'"

"I don't know what a certificate would do for me," he said, expressing not only a dislike for unnecessary titles but also doubts that a NARM-issued proclamation of professionalism would do any more than his Ryerson degree to increase public acceptance of his work.

National Association of Restaurant Managers president Kenneth Paulson Jr. speaks at first convention in Las Vegas.

"How each and every one of us [managers] interacts with the public will have a much greater bearing [than certificates] on how we are perceived," Martin said.

While members of the "Professionalism in the Industry" panel did not always agree, they seemed to concur with moderator Brian Herron that certification in any form should be "optional" and handled by an organization representing unit-level managers.

Herron, a consultant and former National Restaurant Association staffer, repeatedly pointed to the success of the American Culinary Federation in improving the image of chefs through public relations and a certification program. He indicated that the ACF's gains prove that a targeted trade association can achieve goals such as those set by NARM.

The positions of Deven Black, general manager of the North Star Pub in New York, and Tony Feicco Jr., Northeast regional director for the International House of Pancakes chain, demonstrated the differing views of the panelists.

Black, the only unit-level manager on the panel, maintained "you can't teach professionalism. It is entirely self-generated—an attitude one has about whatever he does." He favored certification because "I want a standard against which I can measure myself."

Feicco said he "feels strongly that professionalism can come through education, whether it be by osmosis or talk in the classroom." Certification is a good idea, he said, because "if we don't give [managers] recognition, they are going to leave [the industry]."

Panelist Jim Sullivan, president of Penguin Productions, a Denver consulting company specializing in training programs, said a certificate would not sway him, as an employer, from subjecting a job candidate to rigorous testing of job-related skills.

FOCUS | VIEWPOINT

Nation's Restaurant News

is published by
LEBHAR-FRIEDMAN INC.
425 Park Ave., New York, N.Y. 10022
212 371-9400
Subscription Services, ext. 379 or 419
Cable Address: LEBHAFRIED
Panafax: 212 838-9487

Publisher JAMES C. DOHERTY

Editor CHARLES BERNSTEIN

Executive Editor Rick Telberg
News Editor Tracey Taylor Woodard
Special Projects Editors Joe Edwards
Peter J. Romeo
Senior Editors Marilyn Alva
Kenneth Frydman, Rick Van Warner
Associate Editors Karen Bruno,
Bill Carlino
Field Editor Rajan Chaudhry
Bureau Editors Richard Martin (West Coast Chief *Los Angeles*),
Alan Liddle (*San Francisco*),
Carolyn Walkup (Midwest/*Chicago*),
Jack Hayes (*Atlanta*)
Ken Rankin (*Washington*)
Copy Editor Michael Schrader
Desk Editors Jeanne Isenberg,
Peter O. Keegan, Katherine Rabin
Contributing Editors Stephanie Curtis,
Florence Fabricant, Mort Hochstein,
Atid Kaplan, Patt Patterson,
Arthur Schwartz
Editorial Assistant Maryann Brunner
Art Director Milton Berwin
Graphic Artist Alice Fernandes-Brown

Eastern District Manager
Steven Y. Lichtenstein
Eastern Area Managers
Chris Kirkby, Mary Jo Romeo
Advertising Sales Coordinator
Chris Hernandez
Production Manager Francine Rizzo
Research Director Anne Frasciello
Circulation Director Steve Pippin
Production Director Stan Kaufman
Associate Director Classified
Teresa Loquercio
Classified Advertising Manager
Leslie Wolowitz
Executive Director Circulation Ed Nessel

Group Publisher C. Reese Musgrave

Founder (1900-1981) Arnold D. Friedman

President J. Roger Friedman
VP/Publication Services Barry Braverman
Sr. VP/Group Pub. James deGraffenreid
VP/Planning Harry A. Estes
VP/Publishing Jay Forbes
VP/Finance James Granato
VP/Human Resources Richard D. Groberg
VP/Editorial Director David Q. Mahler
Sr. VP/Group Pub. C. Reese Musgrave

REGIONAL OFFICES

Atlanta 278 Spring Drive, Roswell, Ga. 30075, 404-993-0978
Boston 1 Gateway Center, Newton, Mass. 02158, 617-527-6394
Regional Manager James H. Malver
Cleveland Summit One Building, 4700 Rockside Road, Independence, OH 44131, 216-642-3420
Office Manager Martha MacVean
Area Manager John Bistrik
Chicago 444 N. Michigan Ave., Chicago, Ill. 60611, 312-644-6688
Regional Manager Edward Nessel
District Manager Gary Knuth
Area Manager John McGuire,
Ed Weisbrod
Los Angeles 606 N. Larchmont Blvd., Los Angeles, Calif. 90004, 213-464-8321
Regional Manager John Donoghue
District Manager David M. Pittman
San Francisco 400 Montgomery St., Suite 1110, San Francisco, Calif. 94104, 415-362-2575
Regional Manager Dick Hannigan
Area Manager Pattikay Lee
Washington 17735 Striley Drive, Ashton, Md. 20861, 301-774-3895
Mgr., Comm. Kenneth Rankin
Correspondents Deane Evans,
Kicole Miles
Japan Diamond-Friedman Ltd., Chain Store Age News, Japan 1-4-2 Kasumigaseki, Chiyoda-ku, Tokyo, Japan, 504-6750

ABC MPA ABP

Publisher of Nation's Restaurant News, Discount Store News, National Home Center News, Drug Store News, Accounting Today, Computer&Software News, Computer Product Selling, Chain Store Age Executive (with Shopping Center Age), *APPAREL merchandising*. Affiliates: Business Guides Inc., Lebhar-Friedman Books; Inside Retailing (Newsletter); Chain Store Age News, Japan; Largo Music Inc.

Subscriptions

Call (212) 371-9400, ext. 419
Having a problem with your subscription? Send us full details, including the mailing label from the last copy you received, along with your telephone number. We'll do everything possible to solve the problem at once. Write to Circulation Fulfillment Director, Nation's Restaurant News, 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079.

Permissions

Materials in this publication may not be reproduced in any form without written permission. Requests for permission should be directed to Nation's Restaurant News, publisher, Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022.

Executive perils: nobody walks on water

How the mighty have fallen!

Jeffrey Campbell, hailed by some as a genius after he moved up to Burger King president in 1983 and showed glowing initial results, has resigned as parent Pillsbury's restaurant group chairman.

Early this year he barely survived, given a reprieve when William Spoor returned to succeed his own designated successor, John Stafford, as Pillsbury chairman and chief executive. But this time Spoor apparently was determined to leave a clean slate for his next successor, likely to be named from a list of potential candidates, including Kraft president and former KFC chairman Michael Miles (the only one with both restaurant and manufacturer background), Quaker Oats chairman William Smithburg, and General Foods chairman Philip Smith.

Whether Campbell was pushed or walked out, his days at Pillsbury were numbered with earnings slumping in the restaurant group; Burger King, Steak & Ale, and Bennigan's faltering; and Godfather's Pizza, Quik Wok, and Bay Street being sold off.

He was a logical scapegoat for problems that hit Steak & Ale and Bennigan's before he ever assumed the Pillsbury post a year ago. The position almost certainly will be left vacant, as it had been for a few years before Campbell got the job.

Meanwhile, Pillsbury has promoted Burger King president Charles Olcott, who reported to Campbell, to BK chief operating officer for both domestic and international units. Olcott will report directly to Spoor.

In further Pillsbury changes, Kyle Craig resigned as S&A Restaurants Corp. (Steak & Ale and Bennigan's) chairman and chief executive. S&A president Don Slater was given increased responsibilities there. Jerry Levin, a Pillsbury executive vice president who is regarded as a mergers and acquisitions expert, becomes S&A chairman.

When Burger King was riding high in 1984-85, Campbell seemingly could do no wrong. But when its product and advertising image faltered, he received the brunt of the criticism. He was more effective in marketing than in operations.

Besides highlighting turmoil in the executive ranks, the rise and fall of Jeff Campbell emphasizes that nobody is immune to the industry's uncertainties. Each executive in the food-service business or in any other field can thrive under a certain set of circumstances but may falter under different conditions.

Don N. Smith is another prime example of the syndrome. Once touted by industry pundits as the eighth wonder of the world, he jumped to Burger King president 12 years ago just after being promoted to McDonald's chief operations officer. He seemed to perform miracles at Burger King on the operations side in the late 1970s as morale at the units soared.

Smith's performance over the next few years as PepsiCo restaurant group president seemed admirable as Pizza Hut and Taco Bell merely stretched their wide No. 1 leads in their respective markets. Even as he left there in 1981 and became chief executive of Diversifoods (a major BK franchisee that also owned Chart House), he was hailed as a savior.

Just 18 months later, after he had acquired Godfather's Pizza but had failed in efforts to create a viable restaurant empire and could not complete a leveraged buyout of his company, he was ousted. Suddenly, Smith was not being described as a hero at all, only as "an overrated has-been."

Still, he rebounded and has done a competent turnaround job as president of Perkins Family Restaurants.

With financial backing from the Bass Brothers of Fort Worth, Texas, inside sources say, Smith in recent months made an abortive attempt to acquire Wendy's or at least looked seriously at the situation. And in one of the great ironies of food-service careers, the man who was hailed as Burger King's charismatic hero a decade ago was perceived by some Burger King franchisees recently as "not charismatic enough" to warrant their backing in a potential bid that Smith had been pondering to buy BK from Pillsbury.

The fate of this industry's heroes is indeed unpredictable—except perhaps for McDonald's Fred Turner and Mike Quinlan and Chili's Norman Brinker. But even Brinker, who seemingly can do no wrong, would probably be the first to acknowledge that he some day may meet his match or "lose" his touch.

Fame is as fleeting in the food-service wars as it is on the sports fields. Those placed on any pedestal of public acclaim may be destined to fall from grace—sooner or (if they are lucky) later.

LETTERS

Restaurateurs must voice discontent with legislators

Editor, NRN:

Your recent editorial on May 16, "Key Capitol Hill Issue: Credibility" was quite insightful. Americans all too often look to simple answers to solve complex problems. I am afraid we seldom take the time or, for that matter, have the desire to see beyond surface issues. As a consequence, our society suffers.

Taxation of our industry is a clear example of how the majority of those who serve us in the legislature cannot see the forest through the trees. While it is quite true, additional revenues have been raised short term through:

- Making restaurateurs record-keepers of tips.
- 80-percent meal deductibility.
- FICA on tips.

This short-term gain will and has resulted in the closing of operations, curtailment of growth and the loss of jobs. Through inappropriate taxation, our industry is forced to raise prices and, as a consequence, forces consumers to alternative sources, such as supermarkets where, for the most part, no taxes are derived.

Further, to the discredit of our fellow operations, they did not speak loudly enough to those who have caused us this pain. Rather, they are silent. Restaurateurs are *afraid* to confront those who serve us in the legislature. However, our customers are not reluctant to tell us how they feel.

Our ". . . industry deserves a fair and equal hearing." And, we are not the only ones who can gather those who count to our hearing. Lobbying is not a bad word. In fact, lobbying is just another word for teaching. The National Restaurant Association can provide the hard research data, but we must be the teachers.

—Stephen E. Elmont
president
Creative Gourmets
Charlestown, Mass.

Opposition to wage hike no longer in best interest

Editor, NRN:

In your May 9 issue, you summarize the findings contained in a story by Ronald Krumm, a University of Chicago economics professor. He predicts "disemployment" (whatever that is) and generally negative effects as a consequence of legislation raising the minimum wage.

Just one day later, the New York Times (on page 1, May 10) reports that "with fewer young people entering the labor force than in the early 1980s, supermarkets and fast-food outlets are having problems finding counter workers. This has pushed up pay to $5 to $6 an hour from the $4 or less that was common two or three years ago."

Doesn't this—if true—make the quoted minimum wage study outdated and irrelevant?

Additionally, from my years of labor-cost studies and payroll control work experience in the food-service and lodging industry, I do not believe that well-managed restaurants and food-services of any kind ever have more staff than justified by operation needs reflected in manpower tables and work schedules.

Hence, the threat of a loss of jobs in our industry because of increased minimum wages is just not plausible.

If, however, the opposition to an increase in the minimum wage is a symptom of an antiquated management attitude, it is no longer in our industry's best interest.

—Kenneth R. Burley
Maryville, Tenn.

Editor scores victory with acquisition game

Editor, NRN:

Your March 21 Editor's Corner column was an outstanding article on the acquisition game.

You showed excellent insight into what it takes to drive a successful restaurant chain.

—Tully Rankin
PYA/Monarch Inc.
Greenville, S.C.

7/11/88 C5150-5

NEWSPAPER

Mega-distributors bid for dominance

Focus follows page 33

Where there's smoke there's ire

New York Metro Rep

JB's Restaurants on F50

001339OC
MS JEANNE LONG
CONGRESSIONAL INFORMATIO IHY
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814
NR

Nation's
Restaurant News®

The Weekly Newspaper of the Food-Service Industry

Vol. 22, No. 28 | Published every Monday by Lebhar-Friedman Inc.; $3 a copy, $26.50 a year | July 11, 1988

Sous vide safe?

Yes, concedes FDA, if it's done carefully

By Deane Evans

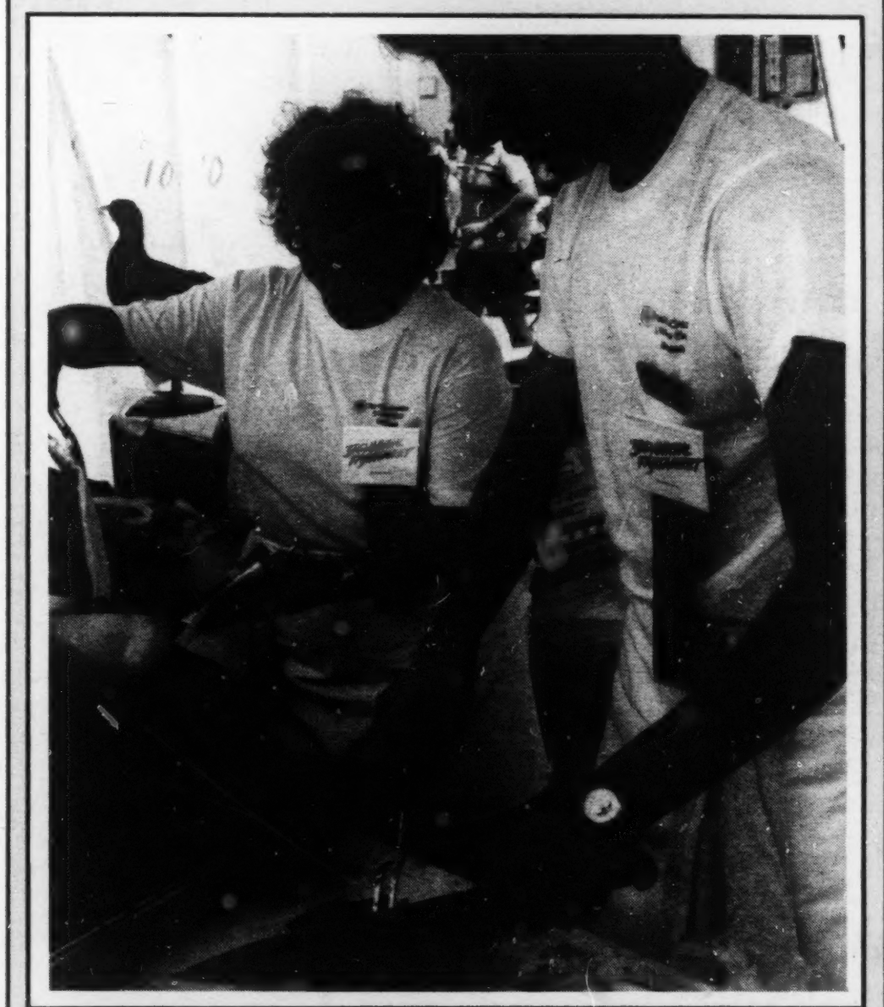
WASHINGTON — Sous vide, the European pouch cooking system that drew fire from federal food safety specialists earlier this year, may still be the wave of the future for restaurants, government experts acknowledged.

The same Food and Drug Administration officials who said that non-commercial sous vide violates existing food codes now concede that "in the long run, it can be done safely."

The controversy over sous vide boiled over several months ago after the National Restaurant Association asked the FDA for an opinion on the safety of the process. In response to that query, Thomas L. Schwarz, retail food protection assistant director, declared that the agency's model Food Service Sanitation Code prohibits "the use of food in hermetically sealed containers that was not prepared in a food-processing establishment."

"Although originally designed to prohibit the use of

(See FDA, page 114)



NRN Photo

Workers from Delmonico's prepare fajitas at the Houston Fajita Meet, held in conjunction with the TRA show.

Talk of Texas show: 'We're coming back'

By Tracey Taylor Woodard

HOUSTON — Voicing newfound optimism in the state's diversifying economy, food-service operators at the Texas Restaurant Association show here said they saw mounting signs of recovery.

"It's bottomed out, and we're coming back," declared Fred W. Dollar, 1988-89 TRA president. "We're on the upswing; we lost a few [operators], but the dedicated opera-

(See TEXAS, page 114)

Ryan's ripped by sales losses, chief exec exit

Chill grips hot growth chain

By Rick Van Warner and Bill Carlino

GREER, S.C. — Rapidly deteriorating same-store sales and the surprise resignation of chief executive T. Mark McCall are suddenly tearing holes in Ryan's Family Steak Houses' shroud of invincibility.

Ryan's comparable restaurant sales plunged 7.5 percent in June from year-ago levels, after falling 5 percent in May, 2.4 percent in April, and 1.9 percent in the first quarter of 1988, the worst comparisons the company has posted in years.

In real terms, the situation is even worse because the 110-unit budget steak-house chain recently hiked menu prices 3 percent.

Meanwhile, McCall, 30, said he is exiting from the chain to pursue personal business interests.

"I've always planned one day to start my own company, and this seemed the appropriate time to break away and do it," McCall said. "I had no desire to continue in a chief exec-

T. M. McCall

utive capacity and own less than 1 percent of Ryan's."

Alvin McCall, 61, Ryan's founder, chairman, and T. Mark McCall's father, will return as chief executive, heading up day-to-day operations after a two-year hiatus. Chief financial officer Charles Way, 35, was named president.

Several factors have sparked Ryan's retreat in comparable restaurant sales, including bad customer reaction to the first menu price increase in four years, analysts said.

Ryan's, which is known for its strong price-value relationship, has traditionally relied on a base of loyal customers who visit the restaurants frequently, and the price hike may have alienated this group.

In addition, competition has

(See McCALL, page 114)

Democrats cast spotlight on restaurants of Atlanta

By Jack Hayes

ATLANTA — About 35,000 Democrats and their followers from the international press—chasing a presidential nominee and a taste of Southern hospitality—are about to focus the eyes of a news-watching world on Atlanta.

But this city of 1,200 food-service establishments, which hasn't hosted a major political event since the Confederacy, doesn't expect a dining-out landslide during the four-day Democratic National Convention July 18-21.

"There's a joke about every Democrat coming in with a clean shirt and a hundred-dollar bill—and no intention to change either," Bob King, who is president of the Georgia Hospitality and Travel Association based here, said, laughing.

In fact, restaurant operators who depend on the patronage of local clientele

(See ATLANTA, page F32)

Bush or Dukakis?

NRN wants to know where the industry stands on the presidential election: Republican George Bush or Democrat Michael Dukakis? Cast your ballot by calling toll-free.

NRN Hot Line
1 (800) 678-7711

FOOD WATCH

Curry à la Japan

LOS ANGELES — Curry has transcended Indian cuisine as the signature dish of the aptly named Curry Club on Melrose Avenue here.

Japanese-style curry is a thick, dark brown sauce poured over a heaping helping of whiter-than-white rice and accompanied by pickled vegetables and a crisp green salad—all for about $5.

The Curry Club offers seven varieties—plain curry sauce, with mixed vegetables, with Japanese shimeji and enoki mushrooms, with beef cubes, with chicken, with shrimp, and with scallops. —Ken Frydman

Tom Brokaw set to speak at MUFSO 88

By Charles Bernstein

NEW YORK — Tom Brokaw, anchor of the "NBC Nightly News," has agreed to address Nation's Restaurant News' 29th annual Multi-Unit Food Service Operators conference at the Washington Hilton on Monday, Oct. 3.

MUFSO 88

Brokaw will discuss the election, political and economic trends, and the labor outlook. He will answer questions from the audience following his talk.

Also appearing that morn-

(See BROKAW, page 114)